

EXHIBIT 2

LF ROTHSCCHILD, LLC

CRD# 38619
SEC# 8-48313



Main Office Location

150 E. PALMETTO PARK ROAD
SUITE 450

BOCA RATON, FL 33432

Regulated by NASD Florida Office

Mailing Address

150 E. PALMETTO PARK ROAD
SUITE 450

BOCA RATON, FL 33432

Report Summary for this Firm

The report summary provides an overview of the firm's background. The firm and a securities regulator(s) have provided the information contained in this report as part of the securities industry registration and licensing process. More detailed information for this firm can be found in the firm's PDF report. Select "View Full PDF Report" to view the detailed information about this firm. The information contained in this report was last updated by the firm via Uniform Application for Broker-Dealer Registration (Form BD), the Uniform Request for Broker-Dealer Withdrawal (Form BDW), or a securities regulator via a Uniform Disciplinary Action Reporting Form (Form U6) on 04/13/2007.

Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Florida on 01/01/2007.

Its fiscal year ends in December.

Firm History

Information relating to the firm's history such as Other Business Names, Other Business, and Successions (e.g., mergers or acquisitions) can be found in the firm's full PDF report.

Firm Operations

This firm is registered with the SEC, 4 Self-Regulatory Organizations, and 39 U.S. states and territories.

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 11 types of businesses.

This firm is not affiliated with any financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

Disclosure of Arbitration Awards, Disciplinary and Regulatory Events

This section includes details regarding disclosure events reported by or about this firm to CRD as part of the securities industry registration and licensing process. Examples of such disclosure events range from disciplinary actions initiated by regulators to certain criminal charges and/or convictions, to financial disclosures such as bankruptcies, and summary information regarding NASD arbitration awards involving securities and commodities disputes between public customers and NASD-registered firms.

Are there events disclosed about this firm? **Yes**

The following types of disclosures were reported:
Regulatory Event



BrokerCheck Report

LEFROTHSCHILD, LLC

CRD# 38619

Report #41830-86830 generated on Thursday, June 28, 2007.

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Dear Investor:

NASD has generated the following BrokerCheck report for LF ROTHCHILD, LLC. The information contained within this report has been provided by an NASD brokerage firm(s) and securities regulators as part of the securities industry's registration and licensing process and represents the most current information reported to the Central Registration Depository (CRD®).

NASD regulates the securities markets for the ultimate benefit and protection of the investor. NASD believes the general public should have access to information that will help them determine whether to conduct, or continue to conduct, business with an NASD member. To that end, NASD has adopted a public disclosure policy to make certain types of information available to you. Examples of information NASD provides include: regulatory actions, investment-related civil suits, customer disputes that contain allegations of sales practice violations against brokers, all felony charges and convictions, misdemeanor charges and convictions relating to securities violations, and financial events such as bankruptcies, compromises with creditors, judgments, and liens.

When evaluating this report, please keep in mind that it may include items that involve pending actions or allegations that may be contested and have not been resolved or proven. Such items may, in the end, be withdrawn or dismissed, or resolved in favor of the individual broker, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

The information in this report is not the only resource you should consult. NASD recommends that you learn as much as possible about the individual broker or firm from other sources, such as professional references, local consumer and investment groups, or friends and family members who already have established investment business relationships.

NASD BrokerCheck is governed by federal law, Securities and Exchange Commission (SEC) regulations and NASD rules approved by the SEC. State disclosure programs are governed by state law, and may provide additional information on brokers licensed by the state. Therefore, you should also consider requesting information from your state securities regulator. Refer to www.nasaa.org for a complete list of state securities regulators.

Thank you for using NASD BrokerCheck.



Using this site/information means that you accept the NASD BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

brokercheck.nasdaq.com



For additional information about the contents of this report, please refer to the User Guidance or www.nasdaq.com/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources.

For more information about NASD, visit www.nasdaq.com.

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This firm is registered with the SEC, 4 Self-Regulatory Organizations, and 39 U.S. states and territories.

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Disclosure of Arbitration Awards, Disciplinary and Regulatory Events

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Are there events disclosed about this firm? **Yes**

The following types of disclosures were reported:

Regulatory Event

Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Florida on 01/01/2007.

Its fiscal year ends in December.

Firm Names and Locations

This section includes details, as reported by the firm on Form BD, regarding the firm's full legal name, business and trailing addresses, the firm's "doing business as" name (i.e., "DBA" name) if different from the full legal name, and any other name by which the firm conducts business and where such name is used.

LF ROTHSCILD, LLC

Doing business as LF ROTHSCILD, LLC

CRD# 38619

SEC# 8-48313

Main Office Location

150 E. PALMETTO PARK ROAD

SUITE 450

BOCA RATON, FL 33432

Regulated by NASD Florida Office

Mailing Address

150 E. PALMETTO PARK ROAD

SUITE 450

BOCA RATON, FL 33432

Business Telephone Number

561-613-4727

Firm Profile

This section provides information relating to Direct Owners and Executive Officers as reported by the firm on Form BD.

Direct Owners and Executive Officers

Legal Name & CRD# KAPLAN, JED PHILIP
 Is this a domestic or foreign entity or an individual? Individual
 Position CEO
 Position Start Date 09/1996
 Percentage of Ownership 75% or more
 Does this owner direct the management or policies of the firm? Yes
 Is this a public reporting company? No

Legal Name & CRD# ALVAREZ, RONALD ALEXIS
 2940674
 Is this a domestic or foreign entity or an individual? Individual
 Position ROP
 Position Start Date 12/2006
 Percentage of Ownership Less than 5%
 Does this owner direct the management or policies of the firm? No
 Is this a public reporting company? No

Legal Name & CRD# GROSSMAN, STEVEN MICHAEL
 Is this a domestic or foreign entity or an individual? Individual
 Position CHIEF OPERATING OFFICER, FINOP, AML CONTACT
 Position Start Date 08/2004
 Percentage of Ownership Less than 5%

Firm Profile

Direct Owners and Executive Officers (continued)

Does this owner direct the management or policies of the firm?

Yes

Is this a public reporting company?

No

Legal Name & CRD#

THOMAS, RANDALL SCOTT

Is this a domestic or foreign entity or an individual?

Individual

Position

HEAD TRADER, FINOP

Position Start Date

07/2004

Percentage of Ownership

Less than 5%

Does this owner direct the management or policies of the firm?

No

Is this a public reporting company?

No

Firm Profile

This section provides information relating to Indirect Owners, if any, as reported by the firm on Form BD.

Indirect Owners

No information reported.



Firm History

This section provides information relating to successions (e.g., mergers or acquisitions), if any, as reported by the firm on Form BD.

This firm was previously:

KAPLAN & CO. SECURITIES INC.

Date of Succession:

01/01/2007

Predecessor CRD#:

38619

Description

THE SUCCESSOR FIRM IS ASSUMING SUBSTANTIALLY ALL ASSETS AND LIABILITIES OF THE PREDECESSOR FIRM. THERE IS NO CHANGE AT ALL IN OWNERSHIP AND CONTROL. RONALD ANVAREZ WAS INCORRECTLY CHECKED OFF AS A CONTROL PERSON ON A PREVIOUS FILING, THAT HAS BEEN CHANGED TO NO AS HE IS IN FACT NOT A CONTROL PERSON.

This firm was previously:

KAPLAN & CO. SECURITIES INC.

Date of Succession:

01/01/2007

Predecessor CRD#:

38619

Description

THE SUCCESSOR FIRM IS ASSUMING SUBSTANTIALLY ALL ASSETS AND LIABILITIES OF THE PREDECESSOR FIRM. THERE IS NO CHANGE AT ALL IN OWNERSHIP AND CONTROL

Firm Operations**Registrations**

This section provides information about the regulators (e.g., U.S. Securities and Exchange Commission (SEC), self-regulatory organizations such as NASD and the New York Stock Exchange (NYSE), states and U.S. territories) the firm is currently registered and licensed with, the category of each registration, and the date on which the registration status became effective, as well as certain information about the firm's SEC registration.

This firm is currently registered with the SEC, 4 SROs and 39 U.S. states and territories.

Regulator	Status	Date Effective
Federal Regulator	Approved	09/15/1995
SEC	Approved	09/15/1995

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer only: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
NASD	Approved	09/15/1995
Boston Stock Exchange	Approved	03/23/1999
NASDAQ Stock Market	Approved	07/12/2006
NYSE Arca, Inc.	Approved	11/29/2004

Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective	U.S. States & Territories	Status	Date Effective
Alabama	Approved	07/06/2004	Utah	Approved	04/17/2001
Arizona	Approved	10/15/2001	Vermont	Approved	10/14/2003
Arkansas	Approved	05/16/2003	Virginia	Approved	07/02/1996
California	Approved	10/31/2002	Washington	Approved	04/30/2003
Colorado	Approved	05/16/2001	Wisconsin	Approved	09/29/2003
Connecticut	Approved	06/24/1996	Wyoming	Approved	09/05/2003
Delaware	Approved	06/02/2003			
District of Columbia	Approved	03/14/2003			
Florida	Approved	09/15/1995			
Georgia	Approved	11/05/2002			
Illinois	Approved	06/17/1996			
Indiana	Approved	05/17/2001			
Iowa	Approved	08/30/2001			
Kansas	Approved	05/05/2003			
Kentucky	Approved	05/31/2001			
Louisiana	Approved	09/21/2000			
Maryland	Approved	03/31/1999			
Massachusetts	Approved	07/18/1996			
Michigan	Approved	06/25/2001			
Minnesota	Approved	10/07/2002			
Mississippi	Approved	10/21/2002			
Missouri	Approved	05/04/2001			
Nevada	Approved	07/01/1996			
New Jersey	Approved	04/01/2003			
New Mexico	Approved	05/18/1995			
New York	Approved	10/24/2002			
North Carolina	Approved	08/12/2002			
Ohio	Approved	05/16/2001			
Oklahoma	Approved	05/23/2003			
Oregon	Approved	06/07/1996			
Pennsylvania	Approved	05/16/2003			
Rhode Island	Approved	03/21/2003			
South Carolina	Approved	11/05/2002			
Texas	Approved				

Firm Operations

Types of Business

This section provides the types of business and any other business or other non-securities business the firm is engaged in or is expected to be engaged in as reported by the firm on Form BD.
This firm currently conducts 11 types of businesses.

Types of Business

Exchange member engaged in exchange commission business other than floor activities

Broker or dealer retailing corporate equity securities over-the-counter

Mutual fund retailer

U.S. government securities broker

Municipal securities broker

Broker or dealer selling variable life insurance or annuities

Put and call broker or dealer or option writer

Investment advisory services

Non-exchange member arranging for transactions in listed securities by exchange member

Trading securities for own account

Broker or dealer selling interests in mortgages or other receivables

Firm Operations

Clearing Arrangements

This firm does not hold or maintain funds or securities or provides clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name:

RBC DAIN CORRESPONDENT SERVICES

Business Address:

500 N BROADWAY

SUITE 1500

ST. LOUISE, MO 63102

Effective Date:

04/02/2004

Description:

WE HAVE CLEARING ARRANGEMENT WITH RBC DAIN.

Firm Operations

Industry Arrangements

This firm does have books or records maintained by a third party.

Name:

RBC DAIN CORRESPONDENT SERVICES

Business Address:

500 N. BROADWAY
SUITE 1500
ST. LOUISE, MO 63102

Effective Date:

04/02/2004

Description:

ALL CLIENT ACCOUNTS ARE HELD AT RBC DAIN

This firm does have accounts, funds, or securities maintained by a third party.

Name:

RBC DAIN CORRESPONDENT SERVICES

Business Address:

500 N. BROADWAY
SUITE 1500
ST. LOUISE, MO 63102

Effective Date:

04/02/2004

Description:

ALL FIRM ACCOUNTS ARE HELD AT RBC DAIN.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name:

RBC DAIN CORRESPONDENT SERVICES

Business Address:

500 N. BROADWAY
SUITE 1500
ST. LOUISE, MO 63102

Effective Date:

04/02/2004

Description:

ALL CLIENT ACCOUNTS ARE HELD AT RBC DAIN

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.

Firm Operations

Organization Affiliates

This section provides information relating to control relationships with entities engaged in the securities, investment advisory, or banking business as reported by the firm on Form BD.

This firm is not, directly or indirectly:

- in control of
- controlled by
- or under common control with
- any partnership, corporation, or other organization engaged in the securities or investment advisory business.


This firm is not directly or indirectly, controlled by:

- a bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank

Disclosure of Arbitration Awards, Disciplinary and Regulatory Events



Firms are required to answer a series of disclosure questions on Form BD and provide the corresponding details to any reported events as part of the securities industry registration and licensing process. The disclosure questions concern criminal and regulatory events, civil actions, and certain financial disclosures such as bankruptcy or liquidation proceedings filed within the past ten years, bond actions and unpaid judgments and liens. The firm must answer either "yes" or "no" to each question as it applies to the firm itself or to any of its control affiliates (i.e., an individual, partnership, corporation, trust, or other organization that directly or indirectly controls, is under common control with, or is controlled by the firm). This section lists the various disclosure questions and their corresponding answers as reported by the firm on Form BD.

 Possible multiple reporting sources -- please note:

Disclosure event details may be reported by more than one source (i.e., regulator or firm). When this occurs, all versions of the reported event will appear in the firm's BrokerCheck report. The different versions of the same reported disclosure event are separated by a solid line with the reporting source clearly labeled.

	Pending	Final	On Appeal
Regulatory Event	0	5	0

Disclosure Event Details

This section provides the specific details for each disclosure event, as reported by the firm on Form BD, that correspond with any "yes" answers to the various Form BD disclosure questions. It also includes summary information regarding NASD arbitration awards in cases where the firm was named as a respondent in the arbitration proceeding, if any.

Nothing will be displayed in this section of the firm's BrokerCheck Report when the firm has no reported disclosure information.

If the firm does have reported disclosure events, please keep the following in mind when evaluating the disclosure event details. Items may involve pending actions or allegations that may be contested and have not been resolved or proven. The items may, in the end, be withdrawn or dismissed, or resolved in favor of the firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD by the firm and/or by securities industry regulators. Some of the specific data fields contained in this section of the report may be blank if the information was not provided to CRD.

Disclosure event details may be reported by more than one source (i.e., regulator and firm). When this occurs, all versions of the reported event will appear in the firm's BrokerCheck report. A solid line separates the different versions of the same reported disclosure event with the reporting source clearly labeled (e.g., Source: Firm or Source: Regulator).

Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization such as NASD or the New York Stock Exchange (NYSE), a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

Disclosure 1 of 5

Regulator

Regulator

Final

Final

Allegations:

SEC ADMINISTRATIVE PROCEEDING RELEASE 34-54954, INVESTMENT ADVISERS RELEASE 40-2572 AND INVESTMENT COMPANY RELEASE 40-27601, DECEMBER 18, 2006: SECURITIES AND EXCHANGE COMMISSION COMPLAINT ALLEGES FAILURE TO REASONABLY SUPERVISE: SECTION 15 (B)(4)(E) OF THE EXCHANGE ACT; WILLFUL VIOLATION OF SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-3; AND VIOLATION OF RULE 22C-1 PROMULGATED UNDER SECTION 22(C) OF THE INVESTMENT COMPANY

ACT. KAPLAN & CO. FAILED REASONABLY TO SUPERVISE INDIVIDUALS WITH A VIEW TO PREVENTING AND DETECTING THEIR VIOLATIONS OF THE FEDERAL SECURITIES LAWS. KAPLAN & CO. FAILED TO ADOPT ADEQUATE POLICIES AND PROCEDURES TO MONITOR MARKET TIMING AND LATE TRADING SO AS TO PREVENT AND DETECT THE FRAUDULENT CONDUCT DESCRIBED HEREIN. IN ADDITION, KAPLAN & CO. FAILED TO HAVE A SYSTEM IN PLACE FOR IMPLEMENTING THE LIMITED POLICIES AND PROCEDURES THAT DID EXIST.

KAPLAN & CO. ALSO VIOLATED RULE 22C-1 UNDER THE INVESTMENT COMPANY ACT IN ITS CAPACITY AS A DEALER IN CERTAIN MUTUAL FUND SHARES, RECEIVING AND EXECUTING ORDERS FOR THE PURCHASE OF THOSE SHARES AFTER THE 4:00 P.M. ET STOCK MARKET CLOSE. KAPLAN & CO. ALSO FAILED PROPERLY TO MAINTAIN ITS BROKERAGE BUSINESS BOOKS AND RECORDS BY NOT MAINTAINING RECORDS REFLECTING THE TIME OF ENTRY AND EXECUTION OF MUTUAL FUND ORDERS.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Initiated By:

12/18/2006

Date Initiated:

3-12509

Docket/Case Number:

Mutual Fund(s)

Principal Product Type:

Other Product Type(s):

Cease and Desist

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution:

Order

12/18/2006

Resolution Date:

No

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

Sanctions Ordered:

Censure
Monetary/Fine \$50,000.00
Disbarment/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered:

UNDERTAKINGS: KAPLAN & CO. UNDERTAKES TO

Sanction Details:

COOPERATE FULLY WITH THE COMMISSION IN ANY AND ALL INVESTIGATIONS, LITIGATIONS OR OTHER PROCEEDINGS RELATING TO OR ARISING FROM THE MATTERS DESCRIBED IN THIS ORDER. KAPLAN & CO. UNDERTAKES TO, WITHIN 30 DAYS OF THE ISSUANCE OF THE ORDER, HIRE AN INDEPENDENT COMPLIANCE CONSULTANT ("CONSULTANT"), NOT UNACCEPTABLE TO THE COMMISSION STAFF, TO REVIEW AND EVALUATE THE EFFECTIVENESS OF KAPLAN & CO.'S SUPERVISORY AND COMPLIANCE SYSTEMS, POLICIES AND PROCEDURES DESIGNED TO DETECT AND PREVENT VIOLATIONS OF THE FEDERAL SECURITIES LAWS CONCERNING: (1) REVIEW OF INCOMING AND OUTGOING CORRESPONDENCE, INCLUDING ELECTRONIC CORRESPONDENCE SUCH AS E-MAIL; (2) MUTUAL FUND MARKET TIMING ACTIVITY; (3) MUTUAL FUND LATE TRADING ACTIVITY; AND (4) SUPERVISION OF BRANCH OFFICES.

WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER THEM AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENTS CONSENT TO THE ENTRY OF THIS ORDER INSTITUTING PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER PURSUANT TO SECTIONS 15(B) AND 21(C) OF THE SECURITIES EXCHANGE ACT OF 1934, SECTIONS 203(E) AND 203(F) OF THE INVESTMENT ADVISERS ACT OF 1940, AND SECTIONS 9(B) AND 9 (F) OF THE INVESTMENT COMPANY ACT OF 1940. ACCORDINGLY, PURSUANT TO SECTIONS 15(B) AND 21(C) OF THE EXCHANGE ACT, SECTIONS 203(E) AND

203(F) OF THE ADVISERS ACT, AND SECTIONS 9(B) AND 9(F) OF THE INVESTMENT COMPANY ACT, IT IS HEREBY ORDERED THAT:

KAPLAN & CO. SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULE 22C-1 UNDER THE INVESTMENT COMPANY ACT; KAPLAN & CO. SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULE 17A-3 THEREUNDER; RESPONDENT IS CENSURED; IT IS FURTHER ORDERED THAT RESPONDENTS SHALL PAY, JOINTLY AND SEVERALLY, WITHIN 10 DAYS OF THE ENTRY OF THIS ORDER, DISGORGEMENT OF \$46,521.60 AND PREJUDGMENT INTEREST OF \$3,478.40, FOR A TOTAL AMOUNT OF \$50,000, TO THE UNITED STATES TREASURY; WITHIN 10 DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$50,000.

Reporting Source:

Firm

Current Status:

Final

Allegations:

SUPERVISION, RULE 22C-1, BOOKS AND RECORDS

Initiated By:

SECURITIES EXCHANGE COMMISSION

Date Initiated:

12/18/2006

Docket/Case Number:

3-12509

Principal Product Type:

Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Cease and Desist

Other Sanction(s)/Relief Sought:

Resolution:

Consent

Resolution Date:

12/18/2006

Sanctions Ordered:

Censure
Monetary/Fine \$100,000.00
Disgorgement/Restitution
Suspension
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details:

KAPLAN & CO. MUST HIRE AN INDEPENDANT COMPLIANCE CONSULTANT TO REVIEW THE FOLLOWING, CORRESPONDENCE, MUTUAL FUND OPERATIONS, SUPERVISION OF BRANCH OFFICES, CENSURE, AND THE FOLLOWING:
KAPLAN & CO. AND JED KAPLAN, DISGORGEMENT \$46,521.60
PREJUDGEMENT INTEREST \$3,478.40, CIVIL MONEY PENALTY \$50,000.00
JED KAPLAN, CIVIL MONEY PENALTY \$50,000.00
JED KAPLAN SHALL BE SUSPENDED FROM ASSOCIATION IN A SUPERVISORY CAPACITY WITH ANY BROKER DEALER OR INVESTMENT ADVISOR FOR A PERIOD OF NINE MONTHS BEGINNING 1/2/07. HE MUST ALSO RETAKE THE SERIES 24 EXAM WITHIN THE SAME TIME PERIOD

Disclosure 2 of 5

Reporting Source:

Regulator

Current Status:

Final

Allegations:

DURING THE TIME PERIOD OF APRIL 2004 - JANUARY 2005, RESPONDENT EFFECTED 180 TRANSACTIONS IN THE ACCOUNTS OF FOUR HAWAII RESIDENTS WITHOUT BEING REGISTERED AS A SECURITIES DEALER AND/OR SALESPERSON IN THE STATE OF HAWAII.

Initiated By:

SECURITIES ENFORCEMENT BRANCH, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, STATE OF HAWAII

Date Initiated:

10/11/2005

Docket/Case Number:

SEU-2004-085-B

Principal Product Type:

Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Civil and Administrative Penalt(ies) /Fine(s)

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Stipulation and Consent

Resolution:

10/11/2005

Resolution Date:

Yes

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

Sanctions Ordered:

Monetary/Fine \$15,000.00

Other Sanctions Ordered:

Sanction Details:

THE CIVIL PENALTY OF \$15,000.00 WAS PAID IN 3 INSTALLMENTS OF \$5,000.00 ON OCTOBER 12, 2005, OCTOBER 18, 2005, AND NOVEMBER 29, 2005.

Reporting Source:

Firm

Current Status:

Final

Allegations:

Initiated By:

DURING THE TIME PERIOD OF APRIL 2004-JANUARY 2005, RESPONDENT EFFECTED 180 TRANSACTIONS IN THE ACCOUNTS OF FOUR HAWAII RESIDENTS WITHOUT BEING REGISTERED AS A SECURITIES DEALER AND/OR SALESPERSON IN THE STATE OF HAWAII. SECURITIES ENFORCEMENT BRANCH, DEPARTMENT OF COMMERCE AND

CONSUMER AFFAIRS, STATE OF HAWAII.
10/11/2005

SEU-2004-085-B

Equity Listed (Common & Preferred Stock)

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief

Sought:

STIPULATION AND CONSENT

Other Sanction(s)/Relief

Sought:

Stipulation and Consent

10/11/2005

Monetary/Fine \$15,000.00

Other Sanctions Ordered:

THE CIVIL PENALTY OF \$15,000 WAS APID IN 3 INSTALLMENTS OF

\$5,000 ON OCTOBER 12,2005, OCTOBER 18,2005 AND NOVEMBER 29,2005.

THE TRADES WERE EFFECTED WHEN THE FIRM THOUGHT IT WAS

ALREADY REGISTERED, BUT WAS STILL PENDING.

Summary:

Disclosure 3 of 5

Reporting Source:

Regulator

Final

ON MAY 8, 2003, JED PHILIP KAPLAN, AS CEO OF KAPLAN & CO.

SECURITIES INC., ELECTRONICALLY FIELD FOR REGISTRATION AS A BD IN
THE STATE OF ALABAMA. THE APPLICATION WAS DEFICIENT AND ON MAY

9, 2003, A DEFICIENCY LETTER WAS DISPATCHED TO KAPLAN, AND IN
ADDITION TO OTHER INFORMATION, WAS REQUESTED TO PROVIDE

INFORMATION CONCERNING ANY PRIOR ACTIVITY IN THE STATE OF
ALABAMA. NO RESPONSE WAS RECEIVED AND THE LETTER WAS TRACED

ON JUNE 13, 2003, WITH NO RESPONSE. INFORMATION FROM KAPLAN'S
CLEARING FIRM DISCLOSED THAT KAPLAN HAS 3 ACCOUNTS WITH

ALABAMA RESIDENTS AND A TOTAL OF 157 TRANSACTIONS WERE
EFFECTED IN THE ACCOUNTS. BASED UPON ALLEGED VIOLATIONS OF

SECTIONS 8-6-3A, CODE OF ALABAMA 1975, FOR EFFECTING SECURITIES
TRANSACTIONS PRIOR TO REGISTRATION AS A BD AND AGENT IN THE

STATE OF ALABAMA, A CEASE AND DESIST ORDER WAS ISSUED, WITH
NOTICE OF RIGHT TO A HEARING ATTACHED AND MADE A PART

THEREOF, GIVING KAPLAN 28 DAYS FROM THE DATE OF RECEIPT OF THE ORDER TO RESPOND OR PERFECT A RIGHT TO A HEARING. NOTE: ON JANUARY 10, 2000, KAPLAN FILED AN APPLICATION FOR REGISTRATION AS A DEALER IN THE STATE OF ALABAMA; KAPLAN DID NOT RESPOND TO A DEFICIENCY LETTER DATED JANUARY 21, 2000, NOR A TRACER DATED MARCH 23, 2000. ON OCTOBER 18, 2000, AN ORDER OF DENIAL, ADMINISTRATIVE ORDER NO. OD-2000-0072, WAS ISSUED TO KAPLAN & CO. SECURITIES INC. ON JUNE 30, 2004, CO-2004-0014 WAS ISSUED AND KAPLAN PAID AN ADMINISTRATIVE ASSESSMENT OF \$2500 AND INVESTIGATIVE COSTS OF \$2500.

ALABAMA SECURITIES COMMISSION

06/30/2004

CO-2003-0014

Investment Contract(s)

Other

CONSENT ORDER

Consent

06/30/2004

No

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

Monetary/Fine \$5,000.00

PAID ADMINISTRATIVE ASSESSMENT OF \$2500 AND INVESTIGATIVE COSTS OF \$2500.

PAID ADMINISTRATIVE ASSESSMENT OF \$2500 AND INVESTIGATIVE COSTS OF \$2500.

CEASE AND DESIST ORDER (CD2003-0014) ISSUED JULY 15, 2003. PAID ADMINISTRATIVE ASSESSMENT OF \$2500 AND INVESTIGATIVE COSTS OF \$2500.

Summary:

Sanction Details:

Other Sanctions Ordered:

Sanctions Ordered:

Reporting Source:

Firm

Current Status:

Final

Allegations:THE FIRM HAD 3 CLIENTS IN THE STATE OF ALABAMA BEFORE
BEING REGISTERED DIRECTLY WITH THE STATE**Initiated By:**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**Date Initiated:**

07/15/2003

Docket/Case Number:

CD-2003-00-14

Principal Product Type:

Other

Other Product Type(s):

APPLICATION RELATED

Principal Sanction(s)/Relief

Cease and Desist

Sought:**Other Sanction(s)/Relief**
Sought:

Consent

Resolution:

06/30/2004

Sanctions Ordered:

Monetary/Fine \$5,000.00

Other Sanctions Ordered:2,500 ADMINISTRATION COST
2,500 INVESTIGATIVE COST**Sanction Details:****Summary:****Disclosure 4 of 5****Reporting Source:**

Regulator

Current Status:

Final

Allegations:APPLICATION IS MATERIALLY INCOMPLETE. APPLICANT FAILED TO
RESPOND TO THE COMMISSION'S REQUESTS FOR ADDITIONAL
INFORMATION.**Initiated By:**

ALABAMA SECURITIES COMMISSION

Date Initiated:

10/18/2000

Docket/Case Number:

OD-2000-0072

Principal Product Type:

No Product

Other Product Type(s):

Denial

Principal Sanction(s)/Relief Sought:**Other Sanction(s)/Relief Sought:****Resolution:**

Order

Resolution Date:

10/18/2000

Sanctions Ordered:

Revocation/Expulsion/Denial

Other Sanctions Ordered:**Sanction Details:**

APPLICATION IS MATERIALLY INCOMPLETE. APPLICANT FAILED TO RESPOND TO THE COMMISSION'S REQUESTS FOR ADDITIONAL INFORMATION. APPLICATION IS DENIED PURSUANT TO CODE OF ALABAMA 1975, SECTION 8-6-3(J)(1).

Summary:

APPLICATION IS MATERIALLY INCOMPLETE. APPLICANT FAILED TO RESPOND TO THE COMMISSION'S REQUESTS FOR ADDITIONAL INFORMATION. APPLICATION IS DENIED PURSUANT TO CODE OF ALABAMA 1975, SECTION 8-6-3(J)(1). PLEASE CALL (334)242-2984 FOR FURTHER INFORMATION.

Document 7-3

Filed 07/18/2007

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Reporting Source:

Firm

Current Status:

Final

Allegations:

APPLICATION WAS INCOMPLETE

Initiated By:

ALABAMA SECURITIES COMMISSION

Date Initiated:

10/18/2000

Docket/Case Number:

OD-2000-0072

Principal Product Type:

No Product

Other Product Type(s):**Principal Sanction(s)/Relief Sought:**

Denial

Other Sanction(s)/Relief Sought:**Resolution:**

Order

Resolution Date:

10/18/2000

Sanctions Ordered:

Revocation/Expulsion/Denial

Other Sanctions Ordered:**Sanction Details:**

APPLICATION WAS INCOMPLETE

Summary:

APPLICATION WAS INCOMPLETE

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Disclosure 5 of 5**Reporting Source:**

Regulator

Current Status:

Final

Allegations:

THE FIRM FAILED TO REGISTER AN AGENT FOR 1997
AS REQUIRED BY THE MARYLAND SECURITIES COMMISSIONER.
MARYLAND DIVISION OF SECURITIES

Initiated By:

03/11/1997

Filed 07/18/2007

Date Initiated:**Docket/Case Number:**

97-0105

Principal Product Type:

No Product

Other Product Type(s):**Principal Sanction(s)/Relief
Sought:****Other Sanction(s)/Relief
Sought:****Resolution:**

Order

Resolution Date:

09/21/2000

Sanctions Ordered:

Revocation/Expulsion/Denial

Other Sanctions Ordered:**Sanction Details:**

AN ORDER TO SHOW CAUSE & ORDER OF SUMMARY
SUSPENSION WAS ISSUED TO THE FIRM WHICH ORDERS PROVIDED THAT
THE FAILURE TO NOTIFY THE DIVISION THAT AT LEAST ONE AGENT
WAS REGISTERED OR TO REQUEST A HEARING WOULD RESULT IN THE
BROKER-DEALER REGISTRATION BEING REVOKED. NO RESPONSE WAS
RECEIVED.

Summary:

BROKER-DEALER REGISTRATION REVOKED 3/11/97.
CONTACT: ELLEN E. CHERRY, (410) 576-6494. BROKER-DEALER FINED
\$1500.00, REVOCATION ORDER VACATED. REGISTRATION REINSTATED
9/21/2000.

Case 1:07-cv-06261-AKH

Document 7-3

Filed 07/18/2007

Reporting Source:

Firm

Current Status:

Final

Allegations:

THE FIRM FAILED TO REGISTER AS AN AGENT FOR 1997

Initiated By:

MARYLAND DIVISION OF SECURITIES

Date Initiated:

03/11/1997

Docket/Case Number:

97-0105

Principal Product Type:

No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Revocation

Other Sanction(s)/Relief Sought:

Order

Resolution Date:

09/21/2000

Sanctions Ordered:

Revocation/Expulsion/Denial

Other Sanctions Ordered:

Sanction Details:

AN ORDER TO SHOW CAUSE WAS ISSUED

Summary:

BROKER DEALER REGISTRATION WAS REVOKED 3/11/1997
DEALER WAS FINED \$1,500

About this BrokerCheck Report

BrokerCheck reports are part of an NASD initiative to disclose information about NASD-registered firms and brokers to help investors determine whether to conduct, or continue to conduct, business with these firms and brokers. The information contained within these reports is collected through the securities industry's registration and licensing process.

Who provides the information in BrokerCheck?

Information made available through NASD BrokerCheck is derived from the Central Registration Depository (CRD®) as reported on the industry registration and licensing forms brokerage firms and brokers are required to complete.

The forms used by brokerage firms, Forms BD and BDW, are established by the Securities and Exchange Commission (SEC) and adopted by all state securities regulators and self-regulatory organizations (SROs), such as NASD and the New York Stock Exchange (NYSE). NASD and the North American Securities Administrators Association (NASAA) establish the Forms U4 and U5, the forms that collect broker information. Regulators provide information via Form U6, which is used primarily to report certain history about brokerage firms and brokers. These forms are approved by the SEC.

How current is the information contained in BrokerCheck?

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